Stories on the economic importance of tobacco, both to the U.S. and world-wide, continue to appear.

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PLACE OF BUSINESS

Tobacco Ban Would Smoke Up Economy

By CHARLES VAUGHAN, Business Editor

Again there is much talk in medical-research institutions about possible links between cigarette smoking and lung cancer.

Setting off the new alarm was a blunt report in March from the British Royal College of Physicians in which it concluded that a definite link does exist between the two.

New reports of suspicion also have been issued in this country.

The British report, however, caused several European countries to try to stem cigarette promotion and advertising. In Denmark, cigarette makers agreed to quit promoting their products to teen-age audiences.

Vaughan

Italy has taken even more drastic steps. Parliament has passed a law which outlaws any form of public advertising for tobacco—via billboards, television, magazines or newspapers.

Surgeon General Luther L. Terry has announced, with White House approval, that he will appoint an advisory committee to sift the data on the relation between smoking and health.

What are the economic stakes involved in any U.S. government action to discourage cigarette smoking?

PART OF INCOME FOR 17 MILLION

It has been estimated that some 17 million Americans depend on tobacco for some part of their income. About 70 million consumers spent $7.9 billion for tobacco products in 1961. Of this amount, about $3.1 billion was for federal, state and municipal excise taxes.

Tobacco is the most heavily taxed of all agricultural products. About 44% of what consumers pay, on the average, for a pack of cigarettes represents taxes.

Tobacco is the nation's fourth largest cash crop, bringing farmers about $1.3 billion last year. It is grown in 21 states and Puerto Rico, from Connecticut to Florida. Some 800,000 farm families grow tobacco and for most of them it is the major cash crop. Growing tobacco requires an average of 380 man-hours an acre, far more than any other agricultural crop. An acre of corn requires about 10 hours and wheat requires four.

The 501 million pounds of unmanufactured tobacco exported in 1961 made it the nation's fourth largest export crop. Exports last year of both leaf and finished products totaled $499 million.

Manufacturing also is big business: More than 600 factories in 30 states make tobacco products. They are supplied with leaf through 914 auction warehouses in 12 states. The industry also has about 309,000 shareholders.

There are about 1.5 million retail outlets with millions of employees handling tobacco products. Tobacco companies and about 5,000 distributing firms use every form of commercial transportation to move the products.

There are about 5,000 vending companies and among retailers more than 2,000 blind persons support themselves by operating tobacco stands.

From farm to consumer, a great variety of additional industries, goods and services are required in the industry. Tobacco products cross retail counters more often than anything else, except money. But even here the chain goes on. Smokers spend $70 million a year for lighters—all needing flints and fuel.

In the light of all this, President Kennedy is reported to favor extreme caution in any move to curb tobacco sales and advertising. And no wonder.

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